

COMMITTEE ON LEGISLATIVE RESEARCH
 OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4193-01
Bill No.: SB 1002
Subject: Administrative Law; Alcohol; Licenses - Liquor and Beer.
Type: Original
Date: January 30, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$42,000	\$50,000	\$50,000
Total Estimated Net Effect on <u>All</u> State Funds	\$42,000	\$50,000	\$50,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Liquor Control (DLS)** assume this proposal would not generate any revenue for the state. DLS states however, that the civil penalties imposed pursuant to Section 311.680 are to be distributed pursuant to the provisions of Section 7 of Article IX of the Missouri Constitution (School Districts). DLS estimates it will impose \$50,000 annually in civil penalties against licensees. DLS estimates this will result in \$42,000 (10/12 months x \$50,000) in civil penalties in FY 2003.

DLS assumes the cost of implementing this proposal could be absorbed with existing resources.

Oversight assumes the fiscal impact to the local school districts would net to \$0, with the increased collection of fines generated by the Supervisor of Liquor Control and the resulting reduction of the school foundation formula distribution from the state.

Officials from the **Office of Secretary of State** and the **Office of Administration - Administrative Hearing Commission** assume this proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Savings</u> - Reduced Foundation Formula Distributions	<u>\$42,000</u>	<u>\$50,000</u>	<u>\$50,000</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>\$42,000</u>	<u>\$50,000</u>	<u>\$50,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
LOCAL SCHOOL DISTRICTS			
<u>Income</u> - Civil Penalties	\$42,000	\$50,000	\$50,000

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Loss - Reduced Foundation Formula Distributions</u>	<u>(\$42,000)</u>	<u>(\$50,000)</u>	<u>(\$50,000)</u>
ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal could impact solicitors, retailers, and wholesalers of alcoholic beverages.

DESCRIPTION

This proposal allows a wholesaler to give a retailer credit for intoxicating liquor with an alcohol content of less than 5% or 3.2% beer in a container with a capacity of four gallons or more that was delivered but not used, if the wholesaler removes the product within seven days of the initial delivery.

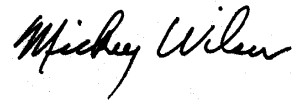
This proposal also creates new penalties for licensees that are found by the Supervisor of Liquor Control to have violated liquor control laws. In lieu of suspension or revocation of a license, the Supervisor may assess certain amounts of fines to any licensed solicitor or retailer. Licensees may appeal the issuance of the fine to the Administrative Hearing Commission.

In order to encourage settlement, licensees are afforded the opportunity to meet with the Supervisor of Liquor Control before any disciplinary action is taken. The Supervisor of Liquor Control must provide the licensee with the time and place of the meeting and certain written information about licensee's conduct at issue.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Public Safety, Liquor Control
Office of the Secretary of State
Office of Administration - Administrative Hearing Commission

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Acting Director
January 30, 2002